UNITED STATES DISTRICT COURT EASTERN DISTRICT OF NEW YORK

CASE NO.: 2016 CV 3951

LG CAPITAL, LLC

Plaintiff,

vs.

VAPOR GROUP, INC.

Defendants		

ANSWER AND AFFIRMATIVE DEFENSES

Defendant, VAPOR GROUP, INC. hereby answers the Verified Complaint filed herein and states as follows:

1. Defendant denies each and every allegation in the Verified Complaint filed herein.

AFFIRMATIVE DEFENSES

As and for Affirmative Defenses, Defendant further alleges:

- 1. The Note sued upon herein is usurious.
- 2. Specifically, the Note dated October 8, 2014 in the amount of \$115,500.00 clearly states on its face: "This Note contains a 10% original issue discount such that the purchase price of the note is \$105,000.00." The Note, however, charges Defendant interest on the full \$115,500.00, and is seeking default interest in the amount of 24% based on \$115,500.00. As much as the amount actually received by Defendant is \$105,000.00, the Plaintiff is seeking a usurious amount of interest.
- 3. The Second Claim for Relief (Unjust Enrichment) is based in equity. Plaintiff clearly has an action for damages. Where Plaintiff has an action for damages, equity will not lie.

DEMAND FOR ATTORNEYS FEES

That the Defendant was obligated to retain the undersigned attorney and is obligated to pay a reasonable fee herein.

WHEREFORE, Defendant having fully answered the Complaint filed herein prays that same be dismissed and this Honorable Court will award court costs and attorney fees necessitated by having to defend this action.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was e-served on August 29, 2016 to: Kevin Kehrli, Esq., Garson, Segal, Steinmetz, Fladgate LLP., 164 west 25th Street, Suite 11R, New York, NY 10001, T: 212-380-3623, F: 347-537-4540, kk@gs2law.com.

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By: <u>/s/ Nicole Moskowitz</u> NICOLE MOSKOWITZ Fla Bar No.: 56570